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DE RUEHKT #0372 1250934
ZNR UUUUU ZZH
O 050934Z MAY 09
FM AMEMBASSY KATHMANDU
TO RUEHC/SECSTATE WASHDC IMMEDIATE 0133
INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 6942
RUEHLM/AMEMBASSY COLOMBO PRIORITY 7261
RUEHKA/AMEMBASSY DHAKA PRIORITY 2583
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 5305
RUEHLO/AMEMBASSY LONDON PRIORITY 6450
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 3016
RUEHSA/AMEMBASSY PRETORIA PRIORITY 0249
RUEHCI/AMCONSUL KOLKATA PRIORITY 4591
RUEHGV/USMISSION GENEVA PRIORITY 2312
RUEKJCS/SECDEF WASHDC PRIORITY
RUCNDT/USMISSION USUN NEW YORK PRIORITY 3510
RHEFDIA/DIA WASHDC PRIORITY
RHMFIUU/CDR USPACOM HONOLULU HI PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY

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TAGS: [PREL](#) [PGOV](#) [PHUM](#) [KDEM](#) [NP](#)
SUBJECT: NEPAL: PRIME MINISTER RESIGNS SITREP 1

REF: A. KATHMANDU 366
 [1](#)B. KATHMANDU 365
 [1](#)C. KATHMANDU 364
 [1](#)D. AND PREVIOUS

Key Events

(U) Since May 4 late afternoon local time, the following key events have occurred:

May 4

-President Yadav formally accepted Prime Minister Dahal's resignation

-Dahal agreed that the rump cabinet of the United Communist Party of Nepal - Maoists (UCPN-M), Madhesi People's Rights Forum (MPRF), and a minor leftist party (minus Communist Party of Nepal - United Marxist Leninist (UML) and a minor Madhesi party ministers) would stay in place as a caretaker government

-Local authorities banned demonstrations in the areas surrounding the Presidential Building (300 yards from the U.S. embassy) and Army Headquarters

-A local human rights NGO filed a case in the Supreme Court challenging the President's May 3 order that Chief of Army Staff Katawal stay in office; the first hearing was ongoing at close of business on May 5

May 5

-After denouncing the President's actions and foreign interference (read manly Indian, some reference to the U.S.), the Maoists disrupted parliamentary proceedings

-Maoists announced they will continue to disrupt proceedings until the President apologizes and withdraws his letter reinstating Katawal

-Party negotiations chaired by the UML to form a new government are ongoing

-The UCPN-M, MPRF and a minor leftist party boycotted today's all-party negotiations; Nepali Congress and other minor

parties represented in the parliament attended

-The President has requested the parties to form a new government by May 9

-According to the police, the country remains calm, although small groups of protesters demonstrated outside the Presidency and in various cities outside Kathmandu. The largest rally, a crowd of 5-6,000 took place in Kathmandu late afternoon.

POWELL